



National Committee to Preserve Social Security and Medicare

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PRESS RELEASE

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Seniors, Disabled Face Loss of Services As Medicaid Budgets Cut

Financial Aid to States Needed to Keep Medicaid Safety Net Strong

Washington — “Any Medicaid reform must strengthen and improve coverage and benefits, not weaken it,” Barbara B. Kennelly, the president and CEO of the National Committee to Preserve Social Security and Medicare said today. The National Committee wrote to Representatives William J. Tauzin (R-LA), chairman of the House Energy & Commerce Committee, and John Dingell (D-MI), the ranking member of the committee, urging them to give states financial aid specifically tied to health and social services.

The National Committee is concerned about any Medicaid proposal that would give states a significant financial incentive to drop coverage for seniors. “Medicaid is a safety net for low-income seniors and seniors with catastrophic health care costs. If prescription drug coverage and nursing home care are reduced, then we are leaving millions of seniors with no other alternative to receive acute or long-term health coverage,” she said.

The current economic downturn has led states either to restrict Medicaid eligibility or reduce the benefits that the program offers, including long-term care services for seniors. Medicaid pays for approximately two-thirds of the cost of nursing home care in this country. The program also provides essential wrap-around coverage for low income elders on Medicare, including coverage for deductibles and copayments that are part of Medicare.

Reduced Medicaid budgets will impact seniors and the disabled, who together account for two-thirds of program spending. Between one million and two million individuals already are predicted to lose coverage due to state changes in eligibility requirements. “Last year, 49 states cut Medicaid spending and 32 states say they need to take further action. This is troubling for people with no other way to pay for long-term care services,” Mrs. Kennelly said.

Mrs. Kennelly commended Chairman Tauzin and Rep. Dingell for holding a series of hearings on the future of Medicaid. “We hope Congress acts before people lose access to care,” she said.

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